

Message Text

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ACTION ARA-15

INFO OCT-01 ISO-00 SSO-00 INRE-00 NSCE-00 CIAE-00
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AMEMBASSY SAN JOSE
AMEMBASSY PANAMA
AMEMBASSY CARACAS
USSOUTHCOM QUARRY HTS, CANAL ZONE

C O N F I D E N T I A L MANAGUA 4202

C O R R E C T E D C O P Y-ADDED ADDEE"NATIONAL SECURITY COUNCIL"

E.O. 11652: GDS
TAGS: PINS, PINT, SHUM, NU
SUBJECT: SITREP 8: 7 SEPTEMBER

REF: MANAGUA 3812 AND MANAGUA 3679

SUMMARY: THE STRIKE CONTINUES MUCH THE SAME AS YESTERDAY,
BUT THERE ARE INDICATIONS THAT ITS END MAY BE IN SIGHT. EMB
HAS RECEIVED WORD THAT THE 40-PLUS DAY HOSPITAL WORKERS
STRIKE HAS BEEN RESOLVED. SEVERAL OPPOSITION LEADERS CONTINUE
UNDER ARREST. CONTINUED RUMORS OF MAJOR FSLN ACTION IN
MANAGUA CIRCULATE WIDELY. END SUMMARY.
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1. STRIKE: TRAFFIC APPEARED HEAVIER AROUND MANAGUA TODAY.
THE MAJOR COMMERCIAL CENTERS REMAIN CLOSED, BUT "MARGINAL"
ENTERPRISES CONTINUE TO OPERATE IN LARGE NUMBERS. ONE
MAJOR HARDWARE CHAIN HAS APPARENTLY RE-OPENED FOR FIRST
TIME SINCE MONDAY. COMOFF REPORTS THAT RELIABLE
SOURCES INDICATE A STRIKE-BREAKING MOVEMENT IS BEING

ORGANIZED. THE CHAMBER OF COMMERCE REPORTS THE SAME PERCENTAGE OF COMMERCE CLOSED AS YESTERDAY. ON THE INDUSTRIAL NORTH HIGHWAY, TRAFFIC REMAINED LIGHT. ALTHOUGH OUTWARDLY CLOSED, IT APPEARED THAT SOME FIRMS MAY BE ACTIVE INTERNALLY. INDE, THE CHAMBER OF COMMERCE OF MANAGUA, CHAMBER OF INDUSTRIES, CHAMBER OF CONSTRUCTION AND THE CONFEDERATION OF CHAMBERS OF COMMERCE HAVE PUBLISHED A NEW COMMUNIQUE DEPLORING THE IMPRISONMENTS AND THREATS AGAINST STRIKE LEADERS AND CALLING FOR THE IMMEDIATE RELEASE OF DETAINEES AND AN END TO THREATS, PERSECUTIONS AND HOUSE SEARCHES BY THE GN. THE CHAMBER OF INDUSTRIES, WHICH THROUGHOUT THE STRIKE HAS BEEN LESS ENTHUSIASTIC THAN OTHER GROUPS, APPARENTLY REFUSED TO SUPPORT A STRONGER STATEMENT.

2. FINANCIAL: BANIC HEADQUARTERS CONTINUED TO SUFFER A HIGH ABSENTEE RATE AMONG EMPLOYEES BUT REMAINED OPEN FOR BUSINESS. A NEARBY BRANCH OF BANK OF AMERICA WAS THE SCENE OF TWO BOMB EXPLOSIONS YESTERDAY. NEITHER INJURIES NOR DAMAGE WAS SUSTAINED. COMOFF HAS LEARNED THAT IMF STAND-BY AGREEMENT NOT--REPEAT NOT--SIGNED IND NEGOTIATION BROKEN OFF (PRESUMABLY DUE TO STRIKE). SOURCES INDICATE THAT, NOT ONLY WILL GON LACK ACCESS TO ANTICIPATED IMF STANDBY, BUT ALSO, SOME OF THE LOANS AWARDED BY EIGHT MAJOR FOREIGN AND U.S. BANKS LAST MONTH (REFTELS) WILL NOT BE AVAILABLE AS THEY WERE CONFIDENTIAL

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"TIED" TO THE IMF AGREEMENT. EMB DOES KNOW THAT SWISS BANK CORP. HAD AGREED TO LEND \$15 MILLION DOLLARS WITHOUT STRINGS, HOWEVER, AND BELIEVES THAT AN ADDITIONAL \$8 MILLION DOLLARS FROM TWO OTHER BANKS WAS NOT "TIED".

3. LABOR: COMOFF HAS LEARNED FROM DIRECTOR OF JLAS (LOCAL BORAD OF SOCIAL ASSISTANCE), ONE OF GOVERNING BAODIES OF PUBLIC HOSPITALS, THAT HOSPITAL WORKERS' STRIKE HAS BEEN RESLOVED. DUE TO GENERAL STRIKE AND RECENT VIOLENCE, LITTLE PRESS COVERAGE HAS OCCURRED. TWENTY-ONE PERCENT OF WORKERS (ALL ON STRIKE) WERE FIRED ON 21 AUGUST AND REMOVED FROM HOSPITALS BY THE GN. ACCORDING TO SOURCE, THESE WORKERS WILL BE RE-HIRED IF NEW APPLICATIONS MADE. A 16 PERCENT WAGE HIKE HAS BEEN GRANTED, RETROACTIVE TO 1 AUGUST. SOCIAL SECURITY WORKERS, WHO ALSO WERE ON STRIKE, HAVE BEEN SETTLED WITHIN A SIMILAR FASHION.

4. PRESS: RADIO MUNDIAL WAS BRIEFLY OCCUPIED BY FSLN ELEMENTS THIS MORNING. A TAPE WAS BRIEFLY AIRED, BUT NOT IN ITS ENTIRELY. TAPE REPORTEDLY CLAIMED THAT BOMBINGS AND SHOOTINGS AROUND MANAGUA ARE RESULT OF

COORDINATED FSLN ACT
VITY .

5. POLITICAL: POLOFFS SPOKE TODAY WITH TOW SENIOR
PCN(OFFICIAL) LEADERS WHO INDICATED THAT THEY EXPECT
STRIKE TO QUIETLY DISAPPEAR, FOLLOWED BY A PERIOD IN
WHICH PEOPLE WILL GENERALLY BE UNINTERESTED IN POLITICS.
THIS WILL LEAVE THE FIELD, AT LEAST TEMPORARILY, TO
THE FSLN. YESTERDAY, CONGRESS PASSED A REFORM OF
ADMINISTRATIVE STRUCTURE OF THE MUNICIPALITIES. THE
PLN HAD PROPOSED CREATION OF A UNITARY STRUCTURE
CENTRALIZING ALL AUTHORITY IN THE MAYOR. THE PCN
PROTESTED THE RESULTANT NEUTRALIZATION OF THE POSITION
OF THE SYNDIC (SINDICO), A SORT OF MUNICIPAL MAGISTRATE.
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FINAL REFORM RETAINED MOST OF SYNDIC'S AUTHORITY.

6. OTHER: FOR AT LEAST PART OF THE DAY, THE
UNAN CAMPUS IN MANAGUA WAS CORDONED OFF BY GN UNITS IN
ANTICIPATION OF STUDENT DEMONSTRATIONS. TRAFFIC WAS
REROUTED AND SOME VEHICLES WERE SEARCHED. THE AREA
REMAINS QUIET. IAGS REPRESENTATIVE REPORTS THAT ALL
NATIONAL GEOGRAPHIC INSTITUTE HAS ORDERED ALL ITS
VEHICLES THROUGHOUT NICARAGUA TO RETURN TO THE
CAPITAL. SAME SOURCE REPORTS THAT OTHER GON VEHICLES
ARE BEING COLLECTED IN MANAGUA AS PART OF GON
PRECAUTIONS AGAINST RUMOURED FSLN ATTACK.

7. COMMENT: THE STRIKE APPEARS TO BE CONTINUING THROUGH
INERTIA AS INDICATIONS OF GROWING DISUNITY AMONG ITS
SPONSORS SURFACE.
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